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The Trail So Far

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WASHINGTON, May 7 — Out of the welter of details about Swiss bank accounts and arms shipments, one theme has emerged from the Congressional testimony of Maj. Gen. Richard V. Secord: some high Reagan Administration officials fostered a private, clandestine intelligence service for operations that the Government was unable or unwilling to undertake.

News Analysis

Taken as a whole, the actions General Secord has described show that these officials in effect rejected the landmark legislation of the mid-1970's requiring the President's personal approval for all covert actions.

The "enterprise," as General Secord called the efforts to sell arms to Iran and the contras, had all the earmarks of a Central Intelligence Agency operation.

There were code names — General Secord was "Copp," the State Department "wimp." There was a nest of shell companies, and several were tagged with similar names deliberately to confuse the picture. Planes owned by these "private" companies flew over enemy territory to drop arms to insurgents; a ship owned by the same companies may have broadcast propaganda into other hostile countries.

A Floating Fund

"This is exactly what the intelligence oversight process was designed to prevent," a former C.I.A. official said. "It was this sort of quasi-government operations that led Congress to require Presidential findings for covert action. It was to build an audit trail directly to President."

Instead of using money from the Treasury, because in some cases use of Government money had been prohibited, "the enterprise" relied on a floating fund of several million dollars in profits from the Iran arms sales and other sources that was beyond the control of any Government agency. Some of General Secord's operations were intended to get around Congressional restrictions, such as those on aiding the Nicaraguan rebels.

But a Congressional official disclosed that other operations involved plans for clandestine radio broadcasts into Libya and Cuba, the sort of activities the C.I.A. routinely carries out with full Congressional approval. General Secord also said he gave money to Drug Enforcement Administration agents as payment for their efforts to locate the American hostages in Lebanon.

Intelligence oversight laws were prompted by Congressional investigations in the 1970's of such C.I.A. actions as assassinations of foreign leaders. Those operations were "deniable," meaning that no direct Presidential order was given. In reaction, Congress passed laws requiring that all covert actions be approved by a Presidential "finding" and that selected members of Congress be briefed in advance.

What Did Reagan Know?

It is precisely that type of documentary record — a finding — that is missing from the private network's support for the Nicaraguan rebels, leaving open the question of what President Reagan knew and when he knew it.

The Reagan Administration's reliance on a private network for some operations reflects the view of Lieut. Col. Oliver L. North and those senior

Reagan Administration officials who worked with him that Congress had gone too far in monitoring C.I.A. operations. In addition, some senior Administration officials distrusted the C.I.A., believing its officers were unimaginative, slow-moving and unwilling to overlook bureaucratic strictures and procedures.

Admiration by some for General Secord's abilities rose to the highest levels of the national security establishment. A 1985 letter from Robert C. McFarlane, the national security adviser, invited his help in the Iran arms sales with this request: "Your discrete assistance is again required in support of our national interests. As in the past, you exercise great caution that this activity does not become public knowledge." That letter was signed for Mr. McFarlane by Colonel North, who was in charge of the secret operations.

Money for Equipment

Over the next few months, General Secord, a retired officer who did not hold a Government security clearance, ran an operation so sensitive that its details were withheld from the Congressional intelligence committees. He also worked on the contra airlift, a project set up after Congress barred the Government from spending its money on aiding the Nicaraguan rebels.

But the "enterprise" also found itself working on operations that could quite easily have been carried out by the C.I.A.

General Secord testified, for instance, that \$100,000 had been spent on radio-telephone equipment for a Caribbean country. A Congressional official said it was to be used for a radio station broadcasting into Cuba, much as Radio Marti does today. After much deliberation, Congress eventually approved Radio Marti, an overt radio station beaming radio programs into Havana, and so the secret plan was never put into effect.

According to present and former Administration officials, Colonel North had been impatient with the Administration's long deliberations over whether to go forward with Radio Marti. Some military officials, for instance, believed the project was a bad idea because Fidel Castro, the Cuban leader, was likely to respond with severe jamming of American radio signals.

Law enforcement officials said they were baffled why the Iran arms profits would be used to underwrite attempts to locate the hostages. One Government official noted that such work would usually be done by the special operations officers of the Army's Delta Force. But previous use of the Delta Force in this way, he said, had prompted some tough questioning from the House Intelligence Committee.

"Obviously, they were trying to get around Congressional restraint, the ability of Congress to stop you from doing something," William E. Colby, the Director of Central Intelligence from 1973 to 1976, said today. Mr. Colby said the C.I.A. faced a problem similar to the contra issue in 1975, when Congress ended covert support for the Angolan rebels.

Asked if he had considered any private efforts to help the rebels, Mr. Colby said, "No, I just sent out the orders to cut it off."